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Testimony of
Natasha M. Pierre, JD, MSW
Policy & Legislative Director
The Permanent Commission on the Status of Women
Before the
Aging Committee
February 26, 2013

Re: S.B. 885, AA Establishing a Task Force to Evaluate the Utility of Creating a Public Retirement Plan
S.B. 937, AAC Care for Elderly Persons in a Home Setting Rather than a Nursing Home Facility
H.B. 6461, AAC Presumptive Medicaid Eligibility for the Connecticut Home-Care for the Elderly
H.B. 6463, AAC Aging

Senators Ayala and Kelly, Representatives Serra and Adinolfi, and members of the committee, thank you for this opportunity to provide testimony on behalf of the Permanent Commission on the Status of Women (PCSW) regarding the above referenced bills.

S.B. 885, AA Establishing a Task Force to Evaluate the Utility of Creating a Public Retirement Plan

The PCSW supports passage of S.B. 885, which would create a task force to study the need for a public retirement plan, because many women retire with insufficient income to sustain them during retirement. Twenty-five percent of women have neither retirement savings nor other savings, compared with 18% of men.¹

Impact on CT Women

Elderly women represent 58% of the Connecticut's elderly population and 68% of the elderly population over the age of 85.² Based on the *Elder Economic Security Standard Index for Connecticut* (ESSI), 60% of women over the age of 65 lack cannot meet basic expenses. Older women of color are particularly at risk – 75% of Hispanic and 74% of African-American women have annual incomes that do not cover basic expenses.³

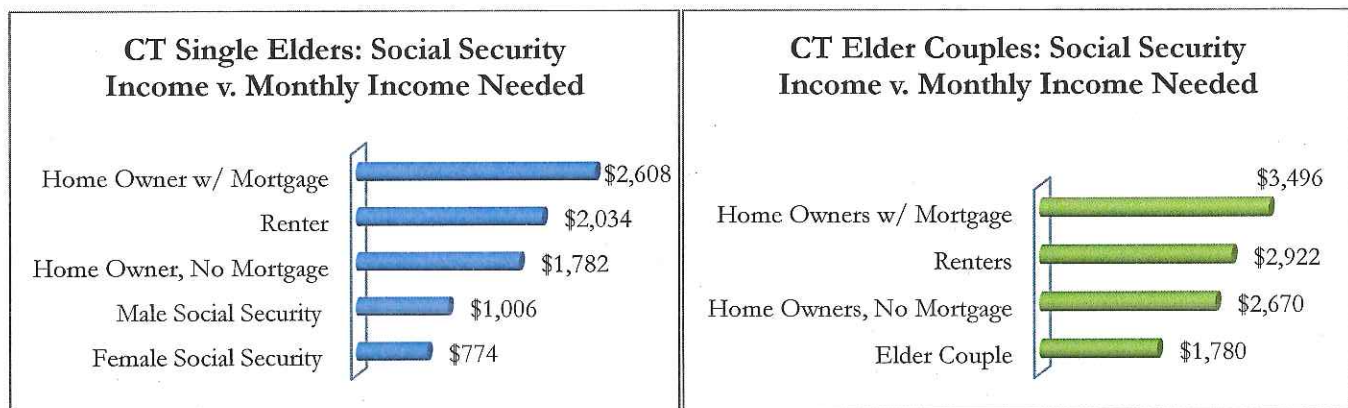
¹ Employee Benefit Research Institute: 2008 Retirement Confidence Survey.

² U.S. Census Bureau. American Fact Finder, 2010 *Profiles of General Population and Housing Characteristics*.

³ The Gerontology Institute, University of Massachusetts Boston, and Wider Opportunities for Women. *The Elder Security Initiative Program: The Elder Economic Security Standard Index for Connecticut, 2009*. Prepared for the Permanent Commission on the Status of Women and the Connecticut Commission on Aging.

Social Security is the *only* source of income for one out of five older adults in Connecticut and virtually the only source of income for 40% of older women in Connecticut. According to the Social Security Administration, the median number of years of covered earnings for women was 29 years versus 38 years for men. This results in an average monthly Social Security income of \$774 a month for women and \$1,006 a month for men; a combined monthly income of \$1,780 a month for an elderly couple.⁴

According to ESSI, relying solely on social security income is inadequate considering that a single elder needs between \$1,700 and \$2,600 a month, and an elderly couple needs between \$2,600 to \$3,500 to cover basic living expenses (housing, healthcare, transportation and food).⁵



Average Connecticut workers who save more than \$100 per month—\$118 for single workers and \$132 for couples—consistently during their careers greatly increase their ability to age in their homes and enjoy basic economic security in retirement.⁶ Accessible and affordable asset building and retirement plan options are needed to ensure that elders can retire with adequate incomes to meet basic living expenses. Passage of S.B. 885 is a positive step towards developing alternative retirement plan options.

H.B. 6463, AAC Aging

H.B. 6463 would require a study of the demographics and needs of the elderly population. We suggest that you utilize existing data when conducting the study - *The Elder Economic Security Standard Index for Connecticut* (ESSI).

In 2009, the Permanent Commission on the Status of Women and the Commission on Aging commissioned ESSI to measure the income older adults require to make ends meet, live with dignity and remain in their own homes. The Index strengthens evaluation of public policy by allowing users to:

- quantify elder economic security;
- break down the components of elders' basic expenses;
- measure the gaps between income and economic security;

⁴ U.S. Department of Labor: Women and Retirement Savings, 2008.

⁵ The Gerontology Institute.

⁶ Wider Opportunities for Women. *The Basic Economic Security Tables™ Index (BEST) for Connecticut*, 2012. Prepared for the Permanent Commission on the Status of Women.

- determine how well public policies can help fill those gaps;
- evaluate the ability of income support programs to move individuals toward economic security; and
- measure returns on public investment in such programs.

S.B. 937, AAC Care for Elderly Persons in a Home Setting Rather than a Nursing Home Facility
H.B. 6461, AAC Presumptive Medicaid Eligibility for the Connecticut Home-Care for the Elderly

Finally, PCSW supports passage of S.B. 937, which would ensure that 75% of elderly persons in need of long-term care receive care in a home setting rather than a nursing home facility, and; H.B. 6461, which would establish presumptive Medicaid eligibility for the Connecticut Home Care Program.

As mentioned, elderly women represent 58% of the Connecticut's elderly population and 68% of the elderly population over the age of 85.⁷ We believe these proposals will assist them to meet their basic and medical needs in an environment that is conducive to their overall well-being.

We look forward to working with you to address these important issues. Thank you for your consideration.

⁷ U.S. Census Bureau. American Fact Finder, *2010 Profiles of General Population and Housing Characteristics*.
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